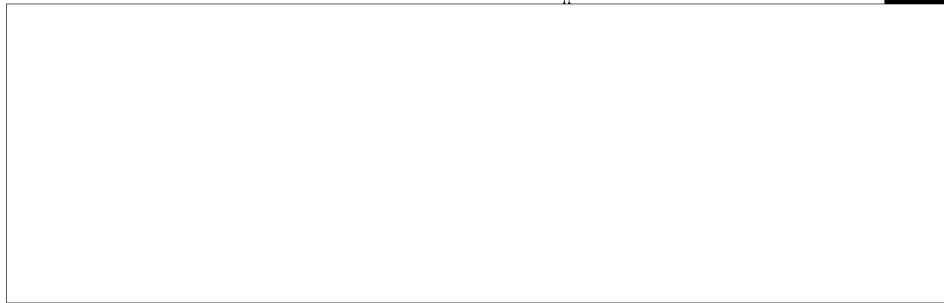




Director of
Central
Intelligence

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National Intelligence Daily

Monday
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POLAND: Another Test for the Regime

The regime's attempt to impose order will be tested today as most of the work force ends its holiday. Strict disciplinary measures will not be sufficient to preclude widespread passive resistance. The Church may have secured the release of some people detained by the government.

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The reduced holiday work schedule likely has been an important factor in defusing potential strikes. The government probably hopes that its strong show of force and its success at breaking strikes have convinced workers that new resistance would be futile. The regime also may believe that the imposition of strict discipline on factories and mines that have been militarized will also be a deterrent.

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To intimidate would-be strikers, the military government yesterday announced that a number of Solidarity activists have been given prison sentences--ranging from six months to three and a half years--for trying to organize strikes since the imposition of martial law.

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Little hard evidence is available to gauge the mood of workers, but discontent is likely to be most apparent in the coal mines of Silesia and along the Baltic coast, although some workers in Gdansk will not return for another week. Some workers probably will try to organize new sit-in strikes, but the predominant response may be widespread passive resistance in the form of work slowdowns.

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The regime may be losing patience with strikers at the Piast coal mine in Silesia, apparently the only major strike still under way. TASS quoted a member of Warsaw's martial law council as stating that the "responsibility for this senseless action will be borne by those who resorted to violence, who terrorized their workmates." This could signal a toughening of tactics to end the strike. The government earlier had broadcast appeals of wives and mothers to induce striking miners to end their holdout.

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A government announcement yesterday that meat rations will be smaller next month for all except manual laborers reflects a drop in procurements from private farmers and the inadequacy of recent deliveries from other Communist countries. Polish television on Sunday blamed the US suspension of grain deliveries for reduced poultry production. [redacted]

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If deliveries from private farmers continue at low levels, the regime will come under strong pressure to institute a system of compulsory deliveries. The government would be reluctant to establish such a system, however, because it would embitter relations with farmers for years and would be interpreted as a sign that the regime is not really interested in reform. [redacted]

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Church Activities

Papal envoy Poggi, back in Rome yesterday, said publicly that he still has "hopes for a dialogue between the authorities and the social forces" of Poland. The French press agency, meanwhile, reports that its Vatican sources claim the Church has secured the release of 800 people detained by the Polish Government. The report adds that Polish churchmen in Rome believe that the regime has arrested 8,000 to 10,000 people--fewer than is being reported in many Western media but more than the 5,000 admitted by Warsaw. [redacted]

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Moscow's View

Soviet media coverage yesterday focused heavily on alleged US efforts to "internationalize" the Polish problem. A Soviet commentator charged that the US was trying to create a crisis to pursue its own "egotistic" goals--to force the Western Allies into line, to wreck the Geneva INF talks, and to provide cover for an "adventure" in Libya, Nicaragua, or Iran. [redacted]

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The thrust of the commentary suggests a major effort by the USSR to isolate the US from its Allies on this issue. Moscow's interest in avoiding any coordinated Western sanctions and its long-term commitment to driving a wedge between the US and its Allies ensure that the effort will continue. [redacted]

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SPECIAL ANALYSIS

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IRAQ: President's Position Weakened

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Military setbacks this fall in the war with Iran have put President Saddam Hussein under new pressure to find a way to end the conflict. Popular opposition to the war is growing as are the doubts among senior Iraqi officers about Saddam's leadership. To avoid a serious challenge, the President will have to abandon his defensive waiting strategy soon and either launch offensive operations or, more likely, declare "victory" and withdraw from Iran.

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The defeats suffered by the Iraqis at Abadan in September and more recently at Bostan mark a turning point in the war. For the first time since the war began 15 months ago, Tehran has been able to score sizable victories over Baghdad's forces.

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the recent Iranian gains have provoked a substantial increase in desertions among Shia personnel.

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Nevertheless, Iraqi forces are unlikely to collapse. Iran remains unable to follow up its successes with new attacks to exploit them quickly.

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Disaffection Growing

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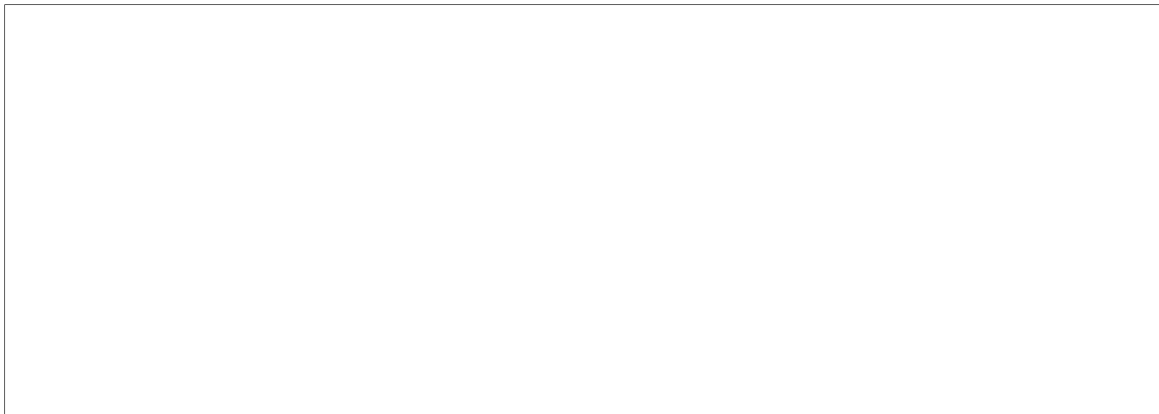
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An increasing number of Iraqis see little chance for an early end to "Saddam's war" so long as he clings to the hope he can outlast Ayatollah Khomeini in a war of attrition. High casualties over the past few months probably are the cause of the reported rise in antiwar sentiment among Iraq's Shia majority. Shia resentment also is fed by the belief that the war has diverted manpower and funds from long-overdue improvement projects in Baghdad's Shia slums. 25X1

The alienation of Shias has been increased by intensified security measures in Shia areas, 25X1
25X1 The war also has caused a deterioration in security conditions in northern Iraq, where Kurdish and Communist guerrillas have taken advantage of the reduction in government forces. 25X1

Policy Options

Saddam's policy alternatives are gradually being reduced. For the moment he is sticking with the defensive strategy that has failed to achieve any of its original goals. Despite the defeat at Bostan, the Iraqi leadership apparently still hopes that continued heavy Iranian losses will cause an uprising or military coup in Tehran against Khomeini. 25X1

Iraq's chances of moving the battle to the negotiating table are slim. Earlier international mediation efforts remain moribund. Saddam's efforts to achieve a cease-fire or initiate peace talks directly with Iran or through

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Algeria have been interpreted as signs of weakness by Tehran, and, coupled with Iran's military successes, have strengthened Tehran's resolve. [REDACTED]

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Saddam still appears to command the loyalty of his powerful security service, which he does not hesitate to use. Reliance on increased repression at home is at best a stopgap measure, however, as the war becomes increasingly costly in men, material, and lost economic and foreign policy opportunities for Iraq. [REDACTED]

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The President is aware of the mounting discontent at home. He also realizes that continued fighting will leave Iraq dependent on the good will of moderate Arab neighbors for vital financial, logistic, and political support, all of which is harder to accept in view of Iraq's ambitions to become leader of the Arab world. [REDACTED]

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Saddam also would like to end the fighting well before next September, when the nonaligned movement is scheduled to hold a summit in Baghdad. He regards a leading role in the movement as the keystone of his foreign policy. [REDACTED]

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The Iraqi leader so far has not shown the flexibility to exploit the widespread desire for peace in his country, for example, by seizing on heightened Arab-Israeli tension to break off the war. The longer he waits to move, however, the weaker his position is likely to become. [REDACTED]

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